

INSURANCE CODE

TITLE 20. REGULATION OF OTHER OCCUPATIONS

CHAPTER 6003. FIRE PROTECTION SPRINKLER SYSTEM SERVICE AND
INSTALLATION

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6003.001. DEFINITIONS. In this chapter:

(1) "Fire protection sprinkler system" means an assembly of underground or overhead piping or conduits that conveys water with or without other agents to dispersal openings or devices to:

(A) extinguish, control, or contain fire; and

(B) provide protection from exposure to fire or the products of combustion.

(2) "Fire protection sprinkler system contractor" means an individual or organization that offers to undertake, represents itself as being able to undertake, or undertakes the plan, sale, installation, maintenance, or servicing of:

(A) a fire protection sprinkler system; or

(B) any part of a fire protection sprinkler system.

(3) "Individual" means a natural person, including an owner, manager, officer, employee, or occupant.

(4) "Installation" means:

(A) the initial placement of equipment; or

(B) the extension, modification, or alteration of equipment after initial placement.

(5) "Insurance agent" means:

(A) an individual, firm, or corporation licensed under:

(i) Subchapter E, Chapter 981; or

(ii) Subchapter A, B, C, D, E, or G, Chapter 4051; or

(B) an individual authorized to represent an insurance fund or pool created by a municipality, county, or other political subdivision of this state under Chapter 791, Government

Code.

(6) "License" means the document issued to a responsible managing employee authorizing the employee to engage in the fire protection sprinkler system business in this state.

(7) "Maintenance" means the maintenance of a fire protection sprinkler system or any part of a fire protection sprinkler system in the condition of repair that provides performance as originally planned.

(8) "Organization" means a corporation, a partnership or other business association, a governmental entity, or any other legal or commercial entity.

(9) "Registration certificate" means the document issued to a fire protection sprinkler system contractor authorizing the contractor to engage in business in this state.

(10) "Responsible managing employee" means an individual designated by a company that plans, sells, installs, maintains, or services fire protection sprinkler systems to ensure that each fire protection sprinkler system, as installed, maintained, or serviced, meets the standards for the system as provided by law.

(11) "Service" means maintenance, repair, or testing. Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. [2636](#)), Sec. 1J.001, eff. April 1, 2009.

Sec. 6003.002. APPLICABILITY OF CHAPTER. (a) This chapter does not apply to:

(1) an employee of the United States, this state, or any political subdivision of this state who acts as a fire protection sprinkler system contractor for the employing governmental entity;

(2) the plan, sale, installation, maintenance, or servicing of a fire protection sprinkler system in any property owned by the United States or this state;

(3) an individual or organization acting under court order as authorization;

(4) an individual or organization that sells or supplies products or materials to a registered fire protection

sprinkler system contractor;

(5) an installation, maintenance, or service project for which the total contract price for labor, materials, and all other services is less than \$100, if:

(A) the project is not a part of a complete or more costly project, whether the complete project is to be undertaken by one or more fire protection sprinkler system contractors; or

(B) the project is not divided into contracts of less than \$100 for the purpose of evading this chapter;

(6) an engineer licensed under Chapter 1001, Occupations Code, acting solely in the engineer's professional capacity;

(7) a regular employee of a registered fire protection sprinkler system contractor; or

(8) an owner or lessee of property that:

(A) installs a fire protection sprinkler system on the owned or leased property for the owner's or lessee's own use or for family members' use; and

(B) does not offer the property for sale or lease before the first anniversary of the date of installation of the fire protection sprinkler system.

(b) This chapter does not authorize an individual or organization to practice professional engineering other than in compliance with Chapter 1001, Occupations Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 1J.001, eff. April 1, 2009.

Sec. 6003.003. EFFECT ON LOCAL REGULATION. (a) This chapter and the rules adopted under this chapter have uniform force and effect throughout this state. A municipality or county may not enact an order, ordinance, or rule requiring a fire protection sprinkler system contractor to obtain a registration certificate from the municipality or county. A municipality or county may not impose on a fire protection sprinkler system contractor qualification or financial responsibility requirements other than proof of a registration certificate.

(b) Notwithstanding any other provision of this chapter, a municipality or county may require a fire protection sprinkler system contractor to obtain a permit and pay a permit fee for the installation of a fire protection sprinkler system and require the installation of a fire protection sprinkler system to conform to the building code or other construction requirements of the municipality or county.

(c) A municipal or county order, ordinance, or rule in effect on September 1, 1983, is not invalidated because of any provision of this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 1J.001, eff. April 1, 2009.

SUBCHAPTER B. POWERS AND DUTIES OF COMMISSIONER,
DEPARTMENT, AND STATE FIRE MARSHAL

Sec. 6003.051. ADMINISTRATION OF CHAPTER. (a) The department shall administer this chapter.

(b) The commissioner may issue rules necessary to administer this chapter through the state fire marshal.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 1J.001, eff. April 1, 2009.

Sec. 6003.052. ADOPTION OF RULES. (a) In adopting necessary rules, the commissioner may use recognized standards, including standards:

- (1) adopted by federal law or regulation;
- (2) published by a nationally recognized standards-making organization; or
- (3) developed by individual manufacturers.

(b) Under rules adopted under Section 6003.051(b), the department may create a specialized licensing or registration program for fire protection sprinkler system contractors.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 1J.001, eff. April 1, 2009.

Sec. 6003.053. RULES RESTRICTING ADVERTISING OR COMPETITIVE

BIDDING. (a) The commissioner may not adopt rules restricting advertising or competitive bidding by the holder of a license or registration certificate issued under this chapter except to prohibit false, misleading, or deceptive practices.

(b) In the commissioner's rules to prohibit false, misleading, or deceptive practices, the commissioner may not include a rule that:

(1) restricts the use of any medium for advertising;

(2) restricts the use of a license or registration certificate holder's personal appearance or voice in an advertisement;

(3) relates to the size or duration of an advertisement by the license or registration certificate holder; or

(4) restricts the license or registration certificate holder's advertisement under a trade name.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. [2636](#)), Sec. 1J.001, eff. April 1, 2009.

Sec. 6003.054. GENERAL POWERS AND DUTIES OF COMMISSIONER, STATE FIRE MARSHAL, AND DEPARTMENT. (a) The commissioner may delegate authority to exercise all or part of the commissioner's functions, powers, and duties under this chapter, including the issuance of licenses and registration certificates, to the state fire marshal. The state fire marshal shall implement the rules adopted by the commissioner for the protection and preservation of life and property in controlling:

(1) the registration of an individual or an organization engaged in the business of planning, selling, installing, maintaining, or servicing fire protection sprinkler systems; and

(2) the requirements for the plan, sale, installation, maintenance, or servicing of fire protection sprinkler systems by:

(A) determining the criteria and qualifications for registration certificate and license holders;

(B) evaluating the qualifications of an applicant for a registration certificate to engage in the business of planning, selling, installing, maintaining, or servicing fire

protection sprinkler systems;

(C) conducting examinations and evaluating the qualifications of a license applicant; and

(D) issuing registration certificates and licenses to qualified applicants.

(b) The commissioner shall establish a procedure for reporting and processing complaints relating to the business of planning, selling, installing, maintaining, or servicing fire protection sprinkler systems in this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 1J.001, eff. April 1, 2009.

Sec. 6003.055. FEES. (a) The commissioner shall set the fee for:

(1) a registration certificate application in an amount not to exceed \$100;

(2) an initial or renewal registration certificate in an amount not to exceed \$1,200 annually; and

(3) an initial or renewal responsible managing employee license fee in an amount not to exceed \$200 annually.

(b) Unless the examination for a responsible managing employee license is administered by a testing service, the commissioner shall set a nonrefundable fee for each examination in an amount not to exceed \$100.

(c) The commissioner shall set a fee in an amount not to exceed \$70 for:

(1) a duplicate registration certificate or license issued under this chapter; or

(2) any request requiring changes to a registration certificate or license.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 1J.001, eff. April 1, 2009.

Sec. 6003.056. DEPOSIT IN OPERATING ACCOUNT. All fees collected under this chapter shall be deposited in the state treasury to the credit of the Texas Department of Insurance operating account for use in administering this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 1J.001, eff. April 1, 2009.

SUBCHAPTER D. REGISTRATION AND LICENSE REQUIREMENTS

Sec. 6003.151. FIRE PROTECTION SPRINKLER SYSTEM CONTRACTOR; REGISTRATION CERTIFICATE REQUIRED. (a) Unless the individual or organization holds a registration certificate issued by the department, an individual or organization may not plan, sell, install, maintain, or service a fire protection sprinkler system.

(b) An applicant for a registration certificate must apply to the department on a form prescribed by the commissioner.

(c) An organization that is a partnership or joint venture is not required to register under the name of the organization if each partner or joint venturer holds a registration certificate.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 1J.001, eff. April 1, 2009.

Sec. 6003.152. REQUIRED INSURANCE COVERAGE FOR REGISTRATION CERTIFICATE. (a) The department may not issue a registration certificate under this chapter unless the applicant files with the department evidence of a general liability insurance policy that includes products and completed operations coverage. The policy must be conditioned to pay on behalf of the insured those amounts that the insured becomes legally obligated to pay as damages because of bodily injury and property damage caused by an occurrence involving the insured or the insured's officer, agent, or employee in the conduct of any activity that requires a registration certificate or license under this chapter.

(b) Unless the commissioner, after notice and an opportunity for a hearing, increases or decreases the limits, the limits of insurance coverage required by Subsection (a) must be at least:

(1) \$100,000 combined single limits for bodily injury and property damage for each occurrence; and

(2) \$300,000 aggregate for all occurrences for each policy year.

(c) The evidence of insurance required by this section must be in the form of a certificate of insurance executed by an insurer authorized to engage in the business of insurance in this state and countersigned by an insurance agent licensed in this state. A certificate of insurance for surplus lines coverage procured in compliance with Chapter 981 through a surplus lines agent that is licensed under Subchapter E, Chapter 981, and resident in this state may be filed with the department as evidence of the coverage required by this section.

(d) An insurance certificate executed and filed with the department under this section remains in force until the insurer has terminated future liability by the notice required by the department.

(e) Failure to maintain the liability insurance required by this section constitutes grounds for the denial, suspension, or revocation, after notice and opportunity for hearing, of a registration certificate issued under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 1J.001, eff. April 1, 2009.

Sec. 6003.153. RESPONSIBLE MANAGING EMPLOYEE: LICENSE REQUIRED. (a) Each fire protection sprinkler system contractor must employ at least one licensed responsible managing employee on a full-time basis.

(b) A person may not act as a responsible managing employee unless the person holds a license issued by the department, conditioned on the successful completion of the license examination and compliance with the requirements of the rules adopted under this chapter.

(c) Notwithstanding Subsection (a), an individual or organization with a current registration certificate may act as a fire protection sprinkler system contractor for 30 days after the death or dissociation of its licensed responsible managing employee or for a longer period approved by the commissioner under the rules adopted under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 1J.001, eff. April 1, 2009.

Sec. 6003.154. POSTING OF LICENSE OR CERTIFICATE REQUIRED. Each registration certificate and license issued under this chapter must be posted in a conspicuous place in the fire protection sprinkler system contractor's place of business.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 1J.001, eff. April 1, 2009.

Sec. 6003.155. DISPLAY OF REGISTRATION CERTIFICATE NUMBER ON CERTAIN DOCUMENTS REQUIRED. Each bid, proposal, offer, and installation drawing for a fire protection sprinkler system must prominently display the registration certificate number of the fire protection sprinkler system contractor.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 1J.001, eff. April 1, 2009.

Sec. 6003.156. LICENSE EXAMINATION. (a) The state fire marshal shall establish the scope and type of an examination required by this chapter.

(b) The state fire marshal may administer the examination or may enter into an agreement with a testing service.

(c) If a testing service is used, the state fire marshal may contract with the testing service regarding requirements for the examination, including:

- (1) examination development;
- (2) scheduling;
- (3) site arrangements;
- (4) grading;
- (5) reporting;
- (6) analysis; or
- (7) other administrative duties.

(d) The state fire marshal may require the testing service to:

(1) correspond directly with an applicant regarding the administration of the examination;

(2) collect a reasonable fee from an applicant for administering the examination; or

(3) administer the examination at a specific location or time.

(e) The state fire marshal shall adopt rules as necessary to implement examination requirements under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 1J.001, eff. April 1, 2009.

Sec. 6003.157. EXAMINATION RESULTS. (a) Not later than the 30th day after the date on which an examination is administered under this chapter, the state fire marshal shall send notice to each examinee of the results of the examination.

(b) If an examination is graded or reviewed by a testing service, the state fire marshal shall send notice to each examinee of the results of the examination not later than the 14th day after the date on which the state fire marshal receives the results from the testing service.

(c) If the notice of the examination results will be delayed for more than 90 days after the examination date, the state fire marshal, before the 90th day, shall send notice to the examinee of the reason for the delay.

(d) The state fire marshal may require a testing service to notify an examinee of the results of the examinee's examination.

(e) If requested in writing by an individual who fails the examination administered under this chapter, the state fire marshal shall send to the individual an analysis of the individual's performance on the examination.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 1J.001, eff. April 1, 2009.

Sec. 6003.158. CONTINUING EDUCATION REQUIREMENTS. (a) The commissioner may adopt procedures for certifying and may certify continuing education programs.

(b) Participation in the continuing education programs is voluntary.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 1J.001, eff. April 1, 2009.

Sec. 6003.159. RECIPROCAL LICENSE. The department may waive any license requirement for an applicant who holds a license issued by another state that has license requirements substantially equivalent to the license requirements of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 1J.001, eff. April 1, 2009.

Sec. 6003.160. NOT TRANSFERABLE. A registration certificate or license issued under this chapter is not transferable.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 1J.001, eff. April 1, 2009.

SUBCHAPTER E. RENEWAL OF REGISTRATION CERTIFICATE OR LICENSE

Sec. 6003.201. RENEWAL REQUIRED; FEE. (a) Except as otherwise provided by this subsection, an initial registration certificate or license is valid for a period of one year from the date of issue and is renewable on payment of the renewal fee. An initial registration certificate or license issued on or after September 1, 1983, may be issued for a period of less than one year and the renewal fee shall be prorated proportionally.

(b) A renewal of a registration certificate or license issued under this chapter is valid for a period of two years. The license or registration fee for each year of the two-year period is payable on renewal.

(c) The commissioner by rule may adopt a system under which registration certificates and licenses expire on various dates during the year. For the year in which an expiration date of a registration certificate or license is less than one year from its issuance or anniversary date, the fee shall be prorated on a monthly basis so that each holder of a registration certificate or license pays only that portion of the renewal fee that is allocable to the number of months during which the registration certificate or license is valid. On renewal on the new expiration date, the total renewal fee is payable.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec.

1J.001, eff. April 1, 2009.

Sec. 6003.202. NOTICE OF EXPIRATION. At least 30 days before the expiration date of a registration certificate or license, the department shall send written notice of the impending expiration to the holder of the registration certificate or license at the holder's last known address.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 1J.001, eff. April 1, 2009.

Sec. 6003.203. RENEWAL PROCEDURES. (a) The holder of an unexpired registration certificate or license may renew the certificate or license by paying the required renewal fee to the department before the expiration date of the certificate or license.

(b) An individual or organization whose registration certificate or license has been expired for 90 days or less may renew the certificate or license by paying to the department:

(1) the required renewal fee; and

(2) a fee equal to one-half of the initial fee for the certificate or license.

(c) An individual or organization whose registration certificate or license has been expired for more than 90 days but less than two years may renew the certificate or license by paying to the department:

(1) all unpaid renewal fees; and

(2) a fee that is equal to the initial fee for the certificate or license.

(d) An individual or organization whose registration certificate or license has been expired for two years or longer may not renew the certificate or license. The individual or organization may obtain a new registration certificate or license by complying with the requirements and procedures for obtaining an initial registration certificate or license.

(e) This section may not be construed to prevent the department from denying or refusing to renew a license under applicable law or commissioner rules.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 1J.001, eff. April 1, 2009.

SUBCHAPTER F. PROHIBITED PRACTICES
AND DISCIPLINARY PROCEDURES

Sec. 6003.251. PROHIBITED PRACTICES. An individual or organization may not:

(1) obtain or attempt to obtain a registration certificate or license by fraudulent representation; or

(2) plan, sell, install, maintain, or service a fire protection sprinkler system in violation of this chapter or the rules adopted under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 1J.001, eff. April 1, 2009.

Sec. 6003.252. DISCIPLINARY ACTIONS. The state fire marshal may suspend, revoke, or refuse to issue or renew a registration certificate or license if, after notice and hearing, the state fire marshal finds that the applicant, registrant, or license holder has engaged in acts that:

(1) violate this chapter;

(2) violate rules or standards adopted under this chapter; or

(3) constitute misrepresentation made in connection with:

(A) the sale of products; or

(B) services rendered.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 1J.001, eff. April 1, 2009.

Sec. 6003.253. DISCIPLINARY HEARING. (a) If the state fire marshal proposes to suspend, revoke, or refuse to renew a license or registration certificate issued under this chapter, the holder of the license or certificate is entitled to a hearing conducted by the State Office of Administrative Hearings.

(b) Rules of practice adopted by the commissioner

applicable to the proceedings for a disciplinary action may not conflict with rules adopted by the State Office of Administrative Hearings.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 1J.001, eff. April 1, 2009.

Sec. 6003.254. APPLICABILITY OF ADMINISTRATIVE PROCEDURE ACT. Proceedings for the denial, suspension, or revocation of a registration certificate or license, appeals from those proceedings, and any other proceedings for a disciplinary action are governed by Chapter 2001, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 1J.001, eff. April 1, 2009.

Sec. 6003.255. REAPPLICATION REQUIREMENTS. (a) An applicant or holder of a registration certificate or license whose certificate or license has been denied, refused, or revoked under this chapter, other than for failure to pass a required written examination, may not file another application for a registration certificate or license before:

(1) the first anniversary of the effective date of the denial, refusal, or revocation; or

(2) if judicial review of the denial, refusal, or revocation is sought, before the first anniversary of the date of the final court order or decree affirming the action.

(b) The commissioner may deny an application described by Subsection (a) unless the applicant shows good cause why the denial, refusal, or revocation of the registration certificate or license should not be considered a bar to the issuance of a new registration certificate or license.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 1J.001, eff. April 1, 2009.

SUBCHAPTER G. CRIMINAL PENALTY

Sec. 6003.301. CRIMINAL PENALTY. (a) A person commits an offense if the person knowingly violates Section 6003.151(a),

[6003.153](#), or [6003.251](#).

(b) An offense under this section is a Class B misdemeanor.

(c) Venue for an offense under this section is in Travis County or the county in which the offense is committed.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. [2636](#)), Sec. 1J.001, eff. April 1, 2009.